

STATE OF ADIZONA

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STATE OF ARIZONA

SEP 2 6 1997

DEPARTMENT OF INSURANCE

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BY	OF INSURANCE

In the Matter of:)	
MID-CONTINENT LIFE INSURANCE)	Docket No. 97A-167-INS
COMPANY, (NAIC No. 66001))	SUSPENSION ORDER
Respondent.))	

Upon information obtained by the Assistant Director of the Corporate and Financial Affairs

Division of the Arizona Department of Insurance, the Director of Insurance ("Director") makes the
following findings of fact, conclusions of law, and issues the following order:

- 1. Mid-Continent Life Insurance Company ("Respondent") is domiciled in Oklahoma and presently holds a certificate of authority issued by the Arizona Department of Insurance ("Department") to transact life and disability business.
- 2. On June 6, 1997, after a hearing, the District Court of Oklahoma County, State of Oklahoma, issued a Journal Entry in State of Oklahoma, ex rel., John P. Crawford, Insurance

 Commissioner v. Mid-Continent Life Insurance Company, Case No. CJ-97-2518-62, appointing John P. Crawford, Commissioner of Insurance, as Receiver of Respondent and directing him to submit a plan of rehabilitation to the court for approval.
- 3. Respondent's Quarterly Financial Statement as of June 30, 1997, filed with the Department, reflects that Respondent's liabilities and required reserves together with its total issued and outstanding capital stock exceed its assets by \$137,864,649. Respondent is therefore "insolvent" within the meaning of A.R.S. §20-611(6).

- Pursuant to A.R.S. §20-211, Respondent is required to maintain free surplus in the amount of \$100,000. Therefore, Respondent's total statutory impairment is \$137,964,649.
- 5. Respondent no longer meets the requirements of the authority originally granted, on account of deficiency in assets, within the meaning of A.R.S. §20-219(2).
- 6. Respondent is in an unsound condition or in such condition as to render its further transaction of insurance in this state hazardous to the policyholders or to the people of this state within the meaning of A.R.S. §20-220(A)(3) and A.A.C. R20-6-308.
- 7. The public health, safety and welfare imperatively require emergency action, within the meaning of A.R.S. §41-1064(C).

IT IS HEREBY ORDERED that Respondent's certificate of authority to transact insurance in Arizona is suspended effective this date.

DATED this 25 day of September, 1997.

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Director of Insurance

NOTICE

The determination set forth in this order is an "appealable agency action" pursuant to A.R.S. §41-1092. Consequently, you have the right to obtain a hearing on this determination by filing a Notice of Appeal within thirty (30) days after your receipt of this order. If you Notice of Appeal is received after that thirty (30) day period, it will not be accepted without a demonstration of good cause for the late filing. The Notice of Appeal must identify the party appealing, the party's address, the determination appealed, and must contain a concise statement of the reasons for the appeal. Your hearing will be held

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within sixty (60) days after your Notice of Appeal is filed, unless the hearing is advance or delayed by agreement or a showing of good cause by any party. The Department of Insurance will serve a Notice of Hearing at least thirty (30) days before the hearing, which will inform you of the date, time and location of the hearing as well as the issues in controversy.

If you file a Notice of Appeal, you may also request an Informal Settlement Conference by filing a written request no later than twenty (20) days before the scheduled hearing. The conference will be held within fifteen (15) days of your request. If an Informal Settlement Conference is requested, a person with the authority to act on behalf of the Department of Insurance will be present. Please note that you waive any right to object to the participation of the Department's representative in the final administrative decision of the matter if it is not settled.

The Notice of Appeal and request for Informal Settlement Conference described above shall be addressed to:

> Deputy Director Arizona Department of Insurance 2910 North 44th Street, Suite 210 Phoenix, Arizona 85018 Attn: Hearing Administration

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17 COPIES of the foregoing mailed/delivered this 26th day of September, 1997, to:

Keith Fitzsimmons

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Deputy Receiver Mid-Continent Life Insurance Company 1400 Classen Drive P.O. Box 60269 Oklahoma City, OK 73146-0269

1	John P. Crawford, Receiver
•	Commissioner of Insurance
2	Department of Insurance
	State of Oklahoma
3	P.O. Box 53408
	Oklahoma City, OK 73152-3408
4	
_	Charles R. Cohen, Deputy Director
5	Sara M. Begley, Deputy Receiver
6	Catherine M. O'Neil, Assistant Director
0	Gary A. Torticill, Assistant Director Deloris E. Williamson, Assistant Director
7	Scott B. Greenberg, Business Administrator
/	Erin Haney-Klug, Market Conduct Chief Examiner
8	Arizona Department of Insurance
-	2910 North 44th Street, Suite 210
9	Phoenix, Arizona 85018
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